

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1674 - SB 1386

March 4, 2011

SUMMARY OF BILL: Requires the Department of Transportation (TDOT) to award a Safe Routes to Schools (SRTS) grant to the Tennessee contractor with the lowest bid unless such contractor's bid is more than ten percent greater than the lowest bidder.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – Not Significant

Other Fiscal Impact – Approximately \$3,400,000 in federal funds could be jeopardized as a result of non-compliance with federal laws, rules, and regulations regarding the distribution of SRTS funds. Federal regulations require SRTS grants to be made to state, local, and regional agencies (typically city and county school systems).

Assumptions:

- According to TDOT, all SRTS funds are awarded to state, local, and regional agencies (typically city and county school systems). Unless the state, local, or regional agency is considered the contractor, TDOT cannot award a grant to a contractor without violating federal law.
- Based on the information provided by TDOT, the \$3,400,000 in federal funds that TDOT awards to state, local, and regional agencies through the SRTS program could be jeopardized.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White".

James W. White, Executive Director

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